

2017/18 Report to the Minister for Energy on the Economic Regulation Authority's compliance

Wholesale Electricity Market Rules

Economic Regulation Authority

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1 Summary

The Economic Regulation Authority is responsible for the compliance and enforcement functions in the Wholesale Electricity Market Rules.

As part of these responsibilities, clause 2.14.5A of the Market Rules requires the ERA to annually provide a report to the Minister for Energy on its compliance with the Market Rules and Market Procedures.

The ERA engaged 2020 Global to independently audit its compliance with the Market Rules and Market Procedures for the period 1 July 2017 to 30 June 2018.

The audit found that the ERA complied with the Market Rules and Market Procedures. The auditor made one recommendation for the ERA to finalise the development and implementation of compliance monitoring tools.

2 Audit scope

The ERA's functions under the Market Rules include:

- **Market effectiveness:** to monitor the effectiveness of the market in meeting the Wholesale Market Objectives.
- **Market compliance:** to monitor Rule Participants' compliance with the Market Rules, to investigate alleged breaches of the Market Rules and where appropriate, take enforcement action.
- **Market reviews and approvals:** to perform a range of review and approval functions, including:
 - Approving the Australian Energy Market Operator's Allowable Revenue and Forecast Capital Expenditure.
 - Approving System Management's ancillary services requirements and costs for certain ancillary services¹.
 - Approving the Energy Price Limits and Benchmark Reserve Capacity Price (including reviewing the methodology and the Market Procedure).
 - Reviewing ancillary service standards, the outage planning process, the planning criterion and peak demand forecasting.

The 2017/18 audit assessed the ERA's compliance with the above functions.

¹ The ERA is required to determine values for [Cost_LR](#) and [Margin_Peak and Margin_Off-Peak](#) and approve costs for [Dispatch Support Services](#).

3 Audit findings and recommendations

The auditor's "Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures" is provided at Appendix 1.

The auditor concluded that²:

In our opinion, the ERA has complied in all material respects with the Market Rules and Market Procedures as evaluated against its demonstrated compliance with rule obligations, throughout the period 1 July 2017 to 30 June 2018.

The auditor made one recommendation. The recommendation concerned a matter raised in the 2016/17 audit report on the processes for compliance monitoring stipulated in the ERA's Monitoring Protocol. The Monitoring Protocol states that the ERA's compliance monitoring includes analysing market data through a suite of tools to identify potential areas of non-compliance.

The auditor found that compliance monitoring methods using market data remain *ad hoc*. The auditor noted that the ERA is in the process of developing compliance monitoring tools. The auditor recommended that the ERA finalise the development and implementation of these monitoring tools.

4 Action plan in response to recommendations

The ERA accepts the auditor's findings. The ERA will continue with the development of its compliance monitoring tools, initially focusing on testing compliance with balancing submission and outage requirements. Monitoring tools for testing these requirements are scheduled to be in place by 30 June 2019.

² Refer to page 3 of the Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures in Appendix 1.

Appendix 1 – Assurance Report on Compliance with the Wholesale Electricity Market Rules and Market Procedures



BUSINESS
CONSULTANTS

A REPORT PREPARED FOR

THE ECONOMIC REGULATION AUTHORITY

Final

Assurance Report on Compliance with the Wholesale
Electricity Market Rules and Market Procedures.

22 October 2018

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1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

In accordance with Market Rule 2.14.5A, the Economic Regulation Authority (ERA) must annually provide to the Minister for Energy a report on its compliance with the Market Rules and Market Procedures applicable to the Wholesale Electricity Market (WEM).

From 1 July 2016, the ERA inherited functions previously overseen by the Independent Market Operator (IMO).

In order to meet the Market Rule obligation under 2.14.5A and consequently provide reasonable assurance surrounding the ERA's ability to sufficiently adhere to the transferred responsibilities, an audit of the ERA's Market Rule compliance obligations has been conducted.

1.2 REGULATORY CONTEXT AND SCOPE

The objective of the audit is to establish whether the ERA has complied with the Market Rules and Market Procedures and enable it to report to the Minister for Energy in accordance with Market Rule 2.14.5A.

The scope of the engagement encompassed the ERA's compliance with Market Rule and Market Procedure obligations for the period 1 July 2017 to 30 June 2018.

1.3 THE ERA'S RESPONSIBILITIES

With regard to its compliance with the Market Rules, the ERA has acknowledged that it is responsible for:

- Identification of risks that threaten the ERA's ability to meet Market Rule requirements and the establishment of sufficient controls which mitigate those risks, as well as monitoring ongoing compliance.
- The activities undertaken to meet Market Rule requirements.
- Providing a report annually to the Minister for Energy on the ERA's compliance in accordance with the Market Rules and Market Procedures.

1.4 ASSURANCE PRACTITIONER'S RESPONSIBILITIES

Our responsibility is to express a conclusion on the ERA's compliance with the Market Rules as measured by the applicable criteria noted in 1.6 below, in all material respects. Our audit has been conducted in accordance with applicable Standards (ASAE 3100 Compliance Engagements) to provide reasonable assurance that the ERA has complied with the Market Rules and Market Procedures during the scope period.

Our procedures consisted primarily of discussion and enquiries of the ERA management and staff, as appropriate, observation and walk-throughs and evaluation of the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with the Market Rules and Market Procedures are likely to arise.

In performing the review, the following methodology and procedures were adopted:

- Review of internal policies, procedures, practices and documents current at the time of the audit.
- Review of Market Rules and Market Procedures applicable to the ERA at the time of the audit and during the scope period.
- Visiting the ERA's premises and having discussions with relevant officers.
- Determining compliance with relevant Market Rules and Market Procedures by examination of documents and information supplied by the ERA officers.

These procedures were undertaken to form a conclusion as to whether the ERA has complied, in all material respects, with the Market Rules throughout the period 1 July 2017 to 30 June 2018.

1.5 APPLICABLE CRITERIA

The following applicable criteria were applied when determining the ERA's ability to demonstrate material compliance.

- Risk ratings were considered per Market Rule Chapter for each rule based on the overall inherent impact and likelihood of non-compliance per rule. Risk ratings are outlined as follows:

Likelihood		Consequence				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Rare	1	Materially Compliant	Materially Compliant	Materially Compliant	Minor	Minor
Unlikely	2	Materially Compliant	Materially Compliant	Minor	Minor	Moderate
Possible	3	Materially Compliant	Minor	Minor	Moderate	Moderate
Likely	4	Minor	Minor	Moderate	Moderate	Significant
Almost Certain	5	Minor	Moderate	Moderate	Significant	Significant

- Compliance ratings were considered per Market Rule Chapter by assessing the evidence obtained supporting the ERA's demonstrated compliance with each applicable rule. Compliance ratings are outlined as follows:

Compliance Rating	Description
Non-Compliant (NC)	Findings noted which demonstrate that the ERA has not complied with Market Rule and Market Procedure compliance obligations. (Refer Section 3 – Summary of Compliance)
Partially	Findings indicate that the ERA has partially satisfied Market Rule and Market Procedures compliance obligations. (Refer Section 3 – Summary of Compliance)
Materially Compliant (MC)	Findings indicate that the ERA has materially satisfied Market Rule Market Procedures compliance obligations. (Refer Section 3 – Summary of Compliance)
Not Applicable (NA)	It is asserted that although a Rule has a compliance obligation applicable to the ERA, the compliance requirement has not been invoked during the scope period, whether it

Compliance Rating	Description
	is due to a relief provision or dependent on another Rule participant. Nothing has come to our attention that has led us to believe the assertion is different to that purported by management. (Refer Section 3 – Summary of Compliance)

- Where a finding is observed that results in a rule which has a risk rating of moderate or higher, and has been observed to be partially or wholly non-compliant, the finding is considered to be material.

1.6 USE OF THE REPORT

This compliance audit report has been prepared for use by the ERA in fulfilling its reporting obligation to the Minister for Energy per Market Rule 2.14.5A. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Minister for Energy, or for any other purpose other than that for which it was prepared.

1.7 INHERENT LIMITATIONS

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with WEM compliance requirements may occur and not be detected.

An audit is not designed to detect all instances of non-compliance with the Market Rules as an audit is not performed continuously throughout the scope period and the audit procedures performed in respect of compliance with Market Rules are undertaken on a test basis.

As detailed in section 1.4, our procedures were limited to making enquires, inspecting key documents, conducting a review of the ERA's policies and procedures, sample testing and other review procedures. Testing of some Market Rules and Market Procedures was limited to review of policy and procedures as these rules are only invoked upon an event occurring or incident being reported to the ERA and no instances of these events were noted during the scope period.

The audit conclusion expressed in this report has been formed on the above basis.

1.8 CONCLUSION

In our opinion, the ERA has complied in all material respects with the Market Rules and Market Procedures as evaluated against its demonstrated compliance with rule obligations, throughout the period 1 July 2017 to 30 June 2018.

1.9 FACTUAL FINDINGS AND RECOMMENDATIONS

Findings

Section 2 provides our detailed findings per Chapter.

The majority of the recommendations made in the 2017 report have been implemented by the ERA.

Only one minor finding continues to be addressed. This relates to procedural matters that did not materially affect overall compliance by the ERA with the Market Rules and Market Procedures.

2.13 Market Rule Compliance Monitoring and Enforcement

- Breaches sampled were accurately recorded within the ERA's Compliance Monitoring Register (CMR) and the documentation supported that the investigation was conducted in accordance with established procedures.

2.16 Monitoring the Effectiveness of the Market

- Since the previous audit the ERA has developed and implemented the Energy Markets Internal Operations Manual (June 2018). This manual sets out the key functions, tasks and processes that are used to ensure the Energy Markets Division meets its legislative obligations.
- In the previous audit it was noted that the market effectiveness monitoring activities undertaken by the ERA were not documented as internal processes. The Energy Markets Internal Operations Manual includes detail of the effectiveness monitoring process adopted by the ERA. The ERA has documented the Market Monitoring Process in a flow diagram rather than detailed procedures as the ERA believes this is more appropriate and easier to use.
- Rule 2.16.13 outlines further requirements where the ERA is conducting its monitoring obligations under 2.16.9(b). These requirements have not been invoked during the scope period; however processes to meet obligations per rule 2.16.13 are documented in the Energy Markets Internal Operations Manual.

2.15 The Monitoring Protocol Market Procedure

- The ERA has demonstrated compliance with its monitoring obligations however, the following was noted:
 - Monitoring Protocol 2.1.2 Market monitoring: *Analysing market data through a suite of tools (e.g. bidding and pricing information, dispatch data, outage data, etc) which may identify potential areas of non-compliance.*

In relation to the monitoring requirement above, monitoring methods using compliance data currently remains ad-hoc while the ERA is in the process of developing its compliance monitoring tools. (**Recommendation 1**)

- Monitoring Protocol 2.1.2 Targeted compliance activities: *Targeted reviews of Rule Participants may be carried out to assess compliance with specific Market Rule obligations or groups of obligations, or areas identified as being of particular compliance concern or where monitoring is required because the Market Rules provide for special arrangements.*

The ERA's Compliance Framework and Strategy (September 2017) included targeted activities for 2017/18 (Strategic Priorities) focussing on compliance with Forced Outages and Balancing Submission rule requirements. Targets are identified through the ERA's quarterly dispatch instruction non-compliance process. The results of these targeted compliance investigations were evident in the CMR maintained by Compliance and Enforcement.

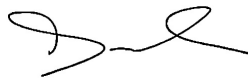
Recommendation

1. Improve internal practices followed under the Monitoring Protocol
 - Finalise the development and implementation of monitoring tools.

Section 3 provides a summary of our findings by individual Market Rule.

1.10 REPORT SIGN-OFF

2020 Global Pty Ltd



Bruce Donald
Director

22 October 2018

2 FINDINGS PER CHAPTER

2.1 MARKET RULES COMPLIANCE – CHAPTER 1 – INTRODUCTION

Requirements

The following requirements relating to Chapter 1 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No	Title	Risk Rating	Compliance Rating	Revised Date ¹
1.7	Publication	Minor	Materially Compliant	28/04/2018
1.17	Transition of certain IMO functions to the Economic Regulation Authority	Minor	Materially Compliant	28/04/2018

Audit Procedures

- Reviewed the responsibilities previously delegated to the IMO which were transferred to the ERA under rule 1.17 and sub-rules.
- Where applicable, tested the ERA's ability to demonstrate compliance with newly defined responsibilities.
- Where applicable, tested the ERA's ability to demonstrate publicly publishing documents and notifications in accordance with the Market Rules in order to meet rule 1.7 requirements.

Findings

Compliance by the ERA with Chapter 1 of the Market Rules:

- The ERA was able to demonstrate material compliance with all publication requirements per rule 1.7.
- Sub-rule 1.17.5 relieved the ERA of complying with rules 3.15.1, 3.18.1, 4.5.15, 4.16.3 and 4.16.9 before 31 October 2017. The current status of these rules are:
 - 3.15.1 – Ancillary Service Standards Review – once every five years – This Review is on the ERA workplan for completion sometime in 2020.
 - 3.18.1 – Outage Scheduling – This is planned for completion in 2020.
 - 4.5.15 – Review of Planning Criterion (Forecasting of SWIS Peak Demand) - once every five years. This is planned to be completed by the end of December 2019.
 - 4.16.3 - Develop Market Procedure - Benchmark Reserve Capacity Price – This is planned for completion by the end of June 2019.
 - 4.16.9 – Review Market Procedure (per 4.16.3) – once every five years.
- Sub-rule 1.17.5 continues to provide the ERA with relief with compliance with rule 4.11.3C before 1 April 2019.

¹ This is the latest date that the clause was amended prior to 30 June 2018. This comment applies for all subsequent tables in section 2.

- Notwithstanding relief under sub-rule 1.17.5, the ERA was able to demonstrate material compliance with all other responsibilities delegated to the ERA under rule 1.17.

2.2 MARKET RULES COMPLIANCE – CHAPTER 2 - ADMINISTRATION**Requirements**

The following requirements relating to Chapter 2 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date ¹
2.2A	Economic Regulation Authority	Moderate	Materially Compliant	28/04/2018
2.3	The Market Advisory Committee	Minor	Materially Compliant	28/04/2018
2.5	Rule Change Proposals	Moderate	Materially Compliant	28/3/2018
2.9	Market Procedures	Moderate	Materially Compliant	28/04/2018
2.10	Procedure Change Process	Moderate	Not Applicable	28/04/2018
2.13	Market Rule Compliance Monitoring and Enforcement	Moderate	Materially Compliant	28/04/2018
2.14	Audit	Minor	Materially Compliant	01/07/2016
2.15	Monitoring and Reporting Protocols	Moderate	Materially Compliant	28/04/2018
2.16	Monitoring the Effectiveness of the Market	Moderate	Materially Compliant	28/04/2018
2.21	Market Consultation	Minor	Materially Compliant	24/04/2018
2.22	Determination of the IMO's budget	Minor	Not Applicable	28/04/2018
2.22A	Determination of Australian Energy Market Operator's (AEMO)'s budget	Minor	Not Applicable	24/04/2018
2.24	Determination of Market Fees	Minor	Materially Compliant	28/04/2018
2.25	Payment of Market Participant Fees	Minor	Not Applicable	28/04/2018
2.26	Economic Regulation Authority Approval of Maximum and Minimum Prices	Moderate	Materially Compliant	28/04/2018
2.32	Rule Participant Suspension and Deregistration	Minor	Not Applicable	24/04/2018
2.44	Minister's Emergency Powers	Minor	Not Applicable	01/07/2016

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.

- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 2 of the Market Rules:

- There were a number of compliance requirements which were not applicable to the ERA during the scope period ended 30 June 2018. This was due to no activity or instances being invoked by Rule Participants that required action or response by the ERA.
- With regard to Rules 2.16.9(b) and 2.16.13, it is noted that the ERA's current practices were documented in the Energy Markets Internal Operations Manual.
- The ERA was able to demonstrate material compliance with all requirements under Chapter 2 – Administration.
- Market Procedures, namely the Monitoring Protocol procedure, which is now the ERA's responsibility has been appropriately designed, implemented and communicated per Market Rule requirements.

2.3 MARKET RULES COMPLIANCE – CHAPTER 3 – POWER SYSTEM SECURITY AND RELIABILITY

Requirements

The following requirements relating to Chapter 3 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date ¹
3.8	Investigating Incidents in the SWIS	Moderate	Not Applicable	24/04/2018
3.11	Determining & Procuring Ancillary Service Requirements	Minor	Materially Compliant	24/04/2018
3.13	Payment for Ancillary Services	Minor	Materially Compliant	01/07/2016
3.15	Review of Ancillary Service Requirements Process and Standards	Minor	Not Applicable	01/07/2016
3.18	Outage Scheduling	Minor	Not Applicable	24/04/2018

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.
- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 3 of the Market Rules:

- Where relevant and required, the ERA was able to demonstrate material compliance with all relevant Market Rule responsibilities under Chapter 3.

2.4 MARKET RULES COMPLIANCE – CHAPTER 4 – RESERVE CAPACITY RULES

Requirements

The following requirements relating to Chapter 4 of the Market rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date ¹
4.5	Long Term Projected Assessment of System Adequacy	Minor	Not Applicable	24/04/2018
4.11	Setting Certified Reserve Capacity	Minor	Not Applicable	28/04/2018
4.16	The Benchmark Reserve Capacity Price	Minor	Materially Compliant	28/04/2018

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.
- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 4 of the Market Rules:

- Where relevant and required, the ERA was able to demonstrate compliance with all Market Rule requirements and the requirement to maintain the Benchmark Maximum Reserve Capacity Market Procedures under Chapter 4.
- The ERA has been able to demonstrate compliance with relevant Market Procedures.

2.5 MARKET RULES COMPLIANCE – CHAPTER 7 – DISPATCH

Requirements

The following requirements relating to Chapter 7 of the Market Rules were assessed as relevant to the ERA and scope of the audit:

Section No.	Title	Risk Rating	Compliance Rating	Revised Date ¹
7.10	Compliance with Dispatch Instructions and Operating Instructions	Minor	Materially Compliant	20/03/2018
7.11	Dispatch Advisories	Minor	Not Applicable	20/03/2018
7.12	Status Reports	Minor	Materially Compliant	01/07/2016

Audit Procedures

- Reviewed relevant ERA compliance requirements.
- Reviewed internal policies and procedures supporting the ERA's ability to adhere to compliance requirements.
- Where applicable, reviewed documented evidence supporting the ERA's demonstrated compliance.
- Discussions with key ERA employees.

Findings

Compliance by the ERA with Chapter 7 of the Market Rules:

- Where relevant and required, the ERA was able to demonstrate compliance with all Market Rule requirements under Chapter 7.

3 SUMMARY OF COMPLIANCE

The following table summarises the relevant sub-rules which contain compliance obligation requirements for the ERA.

Rule No.	Compliance Rating ²	Comment
Chapter 1 – Introduction – Materially Compliant		
1.7.3	MC	Evidence of the ERA publishing relevant documents on its website.
1.17.1	MC	No evidence to indicate otherwise was observed.
1.17.3	MC	No evidence to indicate otherwise was observed.
1.17.5	MC	Provides relief to the ERA for 4.11.3C until April 2019
Chapter 2 – Administration – Materially Compliant		
2.2A.1	MC	Evidence of compliance monitoring was observed. Provision of Rule Change Panel Secretariat Support was observed.
2.3.17	MC	The Market Advisory Committee includes the representatives stipulated.
2.9.2B	MC	No evidence to indicate otherwise was observed.
2.9.3	MC	No evidence to indicate otherwise was observed.
2.9.5(bA)	MC	No evidence to indicate otherwise was observed.
2.9.7B	MC	No evidence to indicate otherwise was observed.
2.10.2A	MC	No changes to the ERA Market Procedures were sought during the scope period.
2.10.3	NA	Not invoked during the scope period.
2.10.5B	NA	There have been no Procedure Change Proposals developed by the ERA during the audit scope period.
2.10.7	NA	Not invoked during the scope period.
2.10.10	NA	Not invoked during the scope period.
2.10.12B	NA	None prepared by the ERA during the scope period.
2.10.17	MC	Not invoked during the scope period. Historically this has occurred.
2.10.18	NA	Not invoked during the scope period.
2.13.2	MC	Evidence sighted per our sample testing of CMR.
2.13.3	MC	Internal procedures sighted. Compliance Framework and Strategy dated September 2017.
2.13.6H	NA	No instances where requirements under this Rule have been invoked during the scope period.
2.13.10	MC	Evidence sighted per our sample testing of CMR.
2.13.15	NA	Review of CMR includes evidence that determinations have been made in accordance with this Rule.
2.13.16	NA	Review of CMR includes evidence that determinations have been made in accordance with this Rule.
2.13.26	MC	Compliance Reports sighted for September 2017, January 2018 and June 2018.
2.13.27	MC	No evidence to indicate otherwise was observed.
2.13.31	NA	No limitation placed upon report recipients.

² MC = Material Compliant and NA = Not applicable during the period.

Rule No.	Compliance Rating ²	Comment
2.14.5A	NA	Requirement deadlines not due at the time of audit.
2.14.5B	MC	Sighted the 2016/17 Report to the Minister on AEMO's Compliance dated 21/12/2017.
2.14.5C	MC	Evidence sighted of AEMO response to the 2016/17 report within the required timeframe. 12/12/2017
2.14.5D	MC	Evidence sighted of the ERA providing the report to the Minister after the AEMO response to report within the required timeframe. 21/12/2017.
2.15.1	MC	Sighted and updated effective 1 July 2017.
2.15.2	MC	Purpose stated in the Protocol document is consistent with this Rule.
2.15.3	MC	The scope detailed in Protocol document is consistent with this Rule.
2.15.7	MC	Monitoring Protocol has been developed and maintained in accordance with Rules 2.9 and 2.10.
2.16.6	NA	Not invoked during the scope period.
2.16.8	NA	None received during the scope period.
2.16.9	MC	From discussion, these factors are considered as part of monitoring market effectiveness. Evidence of matters arising from monitoring discussed at monthly meetings with AEMO. 2016–17 Wholesale Electricity Market Report to the Minister for Energy - Technical Appendices dated 15/01/2018.
2.16.9A	MC	ERA launched a new investigation into pricing behaviour during the scope period.
2.16.9B	MC	ERA requested information from the Market Participant on 26 July 2017.
2.16.9D	MC	Response from the Market Participant and their explanation was published promptly (on the day it was received) on the ERA Website.
2.16.9E	MC	The ERA investigation is still on going.
2.16.9F	MC	ERA investigation is still on going.
2.16.10	MC	Included in the 2016–17 Wholesale Electricity Market Report to the Minister for Energy - Technical Appendices dated 15/01/2018.
2.16.11	MC	Sighted report dated 15/01/2018 Wholesale Electricity Market Report to the Minister for Energy - Technical Appendices dated 15/01/2018. per website.
2.16.12	MC	Sighted report dated 15/01/2018 Wholesale Electricity Market Report to the Minister for Energy.
2.16.13	MC	Wholesale Electricity Market Report to the Minister for Energy - Technical Appendices dated 15/01/2018.
2.16.14	NA	No inappropriate and anomalous market behaviour observed.
2.16.15	MC	Confidential information redacted from the published version.
2.21.1	MC	Evidence of the ERA consultation in accordance with specified timeframes.
2.21.2	MC	Nothing to indicate that the ERA has not consulted or acted in good faith.
2.22A.2	NA	Not required until March 2019.
2.22A.11	NA	Not required until March 2019.
2.24.6	MC	Sighted provision of cost recovery budget to AEMO on 25/06/2018.

Rule No.	Compliance Rating ²	Comment
2.25.1B	MC	Nothing to indicate that the ERA has not complied with this clause.
2.26.1	MC	Report issued in January 2018 prepared in accordance with the Market Procedure.
2.26.2	NA	Benchmark Reserve Capacity Price (BRCP) was accepted by the ERA.
2.26.3	NA	Requirement deadlines not due at the time of audit. Next due by December 2018. The ERA has commenced planning.
2.26.4	NA	Requirement deadlines not due at the time of audit.
2.32.1	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.32.7	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.32.7A	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.32.7B	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.1	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.2	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.3	NA	No instance where requirements under this Rule has been invoked during the scope period.
2.44.4	NA	No instance where requirements under this Rule has been invoked during the scope period.
Chapter 3 – Power System Security and Reliability – Materially Compliant		
3.8.5A	NA	No instance where requirements under this Rule has been invoked during the scope period.
3.11.6	MC	Audit conducted for 2018-19 and report dated 15 June 2018 published on the ERA Website.
3.11.8C	NA	Last undertaken in 2008. No new contracts during the scope period.
3.11.8D	NA	No instance where requirements under this Rule has been invoked during the scope period.
3.11.12	MC	Audit conducted for 2018-19 and report dated 15 June 2018 published on the ERA Website.
3.13.3A	MC	Report on the Determination of Peak and Off Peak margins was published 28 March 2018.
3.13.3AB	MC	Published on Market Website.
3.13.3B	MC	Cost LR Parameters were determined for the period 2016 to 2019 in March 2016.
3.13.3C	NA	No instance where requirements under this Rule has been invoked during the scope period.
3.15.1	NA	Method review is not due for review during this scope period.
3.15.2	NA	Method review is not due for review during this scope period.
3.15.3	NA	Method review is not due for review during this scope period.
3.18.3	NA	No instances where requirements under this rule have been invoked during the scope period.
3.18.15	NA	No instance where requirements under this Rule has been invoked during the scope period.

Rule No.	Compliance Rating ²	Comment
3.18.18	NA	Next due in 2019/20.
3.18.19	NA	Next due in 2019/20.
3.18.20	NA	Next due in 2019/20.
Chapter 4 – Reserve Capacity Rules – Materially Compliant		
4.5.14	NA	Next due in 2019/20.
4.5.15	NA	Next due in 2019/20.
4.5.16	NA	Next due in 2019/20.
4.5.17	NA	Next due in 2019/20.
4.5.18	NA	Next due in 2019/20.
4.5.19	NA	No instance where requirements under this Rule has been invoked during the scope period.
4.5.20	NA	No instance where requirements under this Rule has been invoked during the scope period.
4.11.3C	NA	Next review is due by 01/04/2019. Process has commenced with stakeholder meetings.
4.11.3D	NA	Next review is due by 01/04/2019. Process has commenced with stakeholder meetings.
4.11.3E	NA	Next review is due by 01/04/2019. Process has commenced with stakeholder meetings.
4.16.3	MC	Compliant. Referenced in the 2012-2022 BRCP Decision dated January 2018.
4.16.9	MC	Market Procedure developed IMO on 15/01/2013. Listed on the ERA website as due for review after 1 April 2019.
Chapter 7 – Dispatch – Materially Compliant		
7.10.8	MC	Evidence of reporting Notices under this clause were provided to AEMO. Four quarterly reports dated 22 September 2017, 15 December 2017, March 2018 and 12 June 2018 were sighted.
7.11.9	NA	No instance where requirements under this Rule has been invoked during the scope period.
7.12.2	MC	Quarterly Status reports supplied by AEMO have been published on the ERA's website during the reporting period.